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Transparency International USA

The coalition to curb corruption in international business transactions.

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March 31, 1999

Committee of Government Representatives
on the Participation of Civil Society
c/o Tripartite Committee
UN Economic Council for Latin
America and the Caribbean (Ref Civil Society)
1825 K Street, N.W. Suite 1120
Washington, DC 20006

Dear Mr. Chairman:

On behalf of Transparency International-USA (TI-USA), the U.S. chapter of Transparency International, we appreciate the opportunity to submit comments to the FTAA Committee of Government Representatives on the Participation of Civil Society (CGR). As a coalition of major U.S. multinationals and legal and other professionals with significant trade interests in the region, TI-USA welcomes the creation of the CGR.

The CGR currently provides a mechanism for receiving input from stakeholders interested in the Free Trade Area of the Americas (FFAA) process. TI-USA urges the CGR to convey the recommendation that countries agree, as part of the Trade Negotiation Committee (TNC) agenda to demonstrate concrete progress by 2000, 1) to conclude a regional agreement on transparency in government procurement, and 2) to complete ratification of the Inter-American Convention against Corruption by all OAS members, including the U.S., and to support effective implementation. TI-USA also has provided recommendations for your consideration to strengthen the CGR's effectiveness and future success in building broad public understanding of and support for the FTAA.

We appreciate this opportunity to communicate our views.

Sincerely,

Nancy Zucker Boswell
Managing Director
TI-USA

Transparency International USA

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Dear Mr. Chairman:

On behalf of Transparency International-USA (TI-USA), the U.S. chapter of TI, we appreciate the opportunity to submit comments to the FTAA Committee of Government Representatives on the Participation of Civil Society (CGR). As a coalition of major U.S. multinationals and legal and other professionals with significant trade interests in the region, TI-USA welcomes the creation of the CGR and submits the following recommendations for your consideration and transmittal to the Trade Ministers.

1. TRANSPARENCY IN GOVERNMENT PROCUREMENT

An FTAA Agreement on Transparency in Government Procurement should be concluded by 2000, as a significant and appropriate step toward fulfilling the Leaders' commitment to achieve "concrete progress" toward the conclusion of an FTAA by 2000.

Uniform, transparent procurement rules and procedures promote competition among qualified bidders and suppliers of goods and services, helping governments maximize the opportunity to secure the best product at the most favorable price. Recognizing this principle, bilateral donors, the World Bank and regional development banks have revised their procurement rules to increase transparency and reduce opportunities for corruption in order to maximize development assistance objectives.

An FTAA agreement on transparency in government procurement should promptly be concluded in order to bring similar disciplines to non-donor financed procurement. The San Jose Trade Declaration states that the FTAA negotiations on government procurement should seek a "normative framework that ensures openness and transparency of government procurement processes." With billions of public procurement dollars at stake annually, there is an urgent need for rapid and concerted action on this negotiating objective.

There has already been substantial progress on securing consensus for the elements of an FTAA Agreement. At the 1998 Americas Business Forum, the private sector renewed its call for the conclusion of a regional agreement on transparency in government procurement and agreed on the basic elements of transparency. The attached paper incorporates those principles and widely accepted best practices to form the basis of an FTAA agreement.

11. THE INTER-AMERICAN CONVENTION AGAINST CORRUPTION

All OAS members, including the U.S., should ratify the Inter-American Convention against Corruption by 2000, and members should undertake effective implementation, as business facilitation measures demonstrating "concrete progress" on the FTAA. To promote that objective, the OAS should establish an adequately funded follow-up mechanism to provide technical assistance, conduct peer evaluations, and report regularly to ministers.

At the 1994 Miami Summit of the Americas, the Leaders recognized that corruption was undermining trade and investment in the region and called for a "hemispheric approach" to address it. The Inter-American Convention against Corruption, concluded in 1996, provides a framework for that hemispheric approach. At the 1998 Santiago Summit, the Leaders called for prompt ratification of the Convention.